



**RISET**

JURNAL APLIKASI EKONOMI AKUNTANSI DAN BISNIS

<https://ejournal.ibik.ac.id/index.php/riset>

E-ISSN : 2656-7113

P-ISSN : 2797-4057

DOI : doi.org/10.37641/riset.v7i1.2538

## EXPLORING AUDIT COMPLEXITIES: KEY FACTORS SHAPING FRAUD DETECTION SKILLS

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### ABSTRACT

This study investigates the interplay between auditor workload, auditor experience, professional skepticism, and fraud detection in Indonesian public accounting. Given the increasing complexity of audits and the prevalence of fraud, the research aims to explore how these factors impact auditors' ability to identify fraudulent activities. Based on survey data from 250 auditors, the findings reveal that high workloads negatively impact fraud detection capabilities, whereas experience and professional skepticism positively contribute to detection effectiveness. Additionally, professional skepticism moderates the negative impact of workload on fraud detection but may weaken the positive effect of experience. These findings underscore the importance of effective workload management and the development of professional skepticism to enhance fraud detection. Recommendations include equitable workload distribution, on going training to foster skepticism and analytical skills, and technology integration in auditing. These findings provide valuable insights for practitioners, fostering a proactive approach to fraud prevention and contributing to greater accountability and transparency in financial practices.

### ARTICLE INFO

*Submitted:*

03 – October – 2024

*Revised:*

03 – December – 2024

*Accepted:*

03 – February – 2025



**Keywords:** Auditor Workload, Professional Skepticism, Fraud Detection, Auditor Experience, Public Accounting.

### INTRODUCTION

In public accounting, auditors face an overwhelming workload during peak season, often working more than 60 hours per week (de Vries & Speklé, 2024; Persellin et al., 2019). It is primarily due to the fiscal year-end for most public companies falling on December 31, which heightens the time pressure for auditors to complete the annual financial statement audits (Chen et al., 2020). This substantial workload is a serious issue, with research Persellin et al. (2019) raising concerns that excessive workload could harm audit quality and reduce professional skepticism. Additionally, there is growing concern that high workloads may diminish the attractiveness of the auditing profession, particularly among younger generations, due to differing views on the work-life balance between younger and older generations (de Vries & Speklé, 2024; Persellin et al., 2019).

Auditor behavior and characteristics are critical in the practice of complex audits. A key aspect of auditing is the auditor's ability to detect fraud. Understanding these dynamics could provide valuable insights for the auditing profession, helping to develop more effective and high-quality auditing practices in the face of fraud detection challenges. Fraud continues to be a significant issue in Indonesia. According to research (Surya & Firmansyah, 2024), there were 239 reported fraud cases in 2019, resulting in a total loss of Rp873.43 billion, averaging Rp7.25 billion per incident. Undetected fraud during the audit process could undermine the reliability of financial reporting.

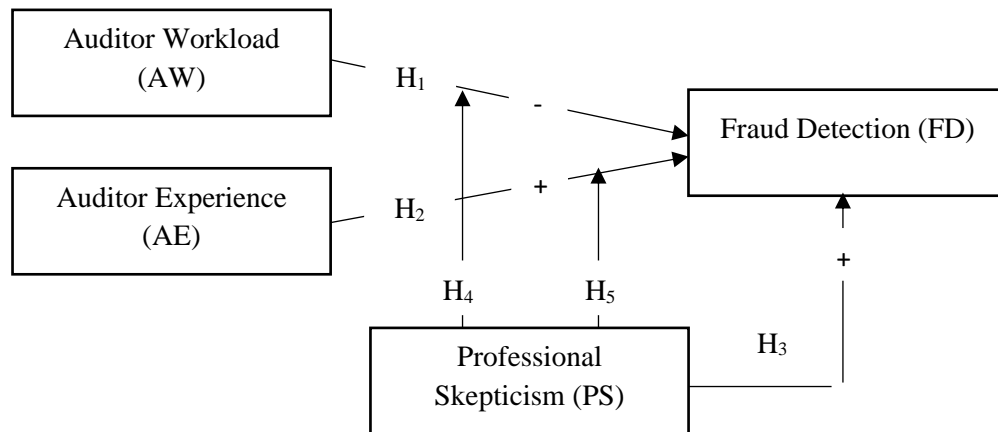
As time progresses, fraud schemes have become more sophisticated, even involving prominent public accounting firms, leading to a decline in users' trust in the credibility of financial information (Putra & Dwirandra, 2019). One of the significant cases in Indonesia in 2023 was the manipulation of financial statements by PT Wanaartha Life. The company allegedly engaged in fraudulent practices, resulting in manipulated financial reports. Consequently, Financial Services Authority revoked the company's business license due to its failure to meet solvency ratio requirements, with total unpaid claims reaching Rp11.29 trillion. Additionally, on February 24, 2023, OJK imposed sanctions on the Public Accounting Firm Kosasih, Nurdiyaman, Mulyadi Tjahjo & Partners for ethical violations committed by public accountants and the company's management. These violations severely undermined public trust in the company's financial statements (Avriandi et al., 2023).

This research aims to explore the relationship between auditor workload, auditor experience, professional skepticism, and fraud detection and examine the moderating role of professional skepticism. Previous studies by Ta et al. (2022) examined the primary elements that impact the professional skepticism of independent auditors in Vietnam. Their study revealed that knowledge, experience, workload, time constraints, and incentives significantly shape auditors' professional skepticism.

Based on this background, these gaps were identified by reviewing existing literature, highlighting inconsistencies in findings, and suggesting areas requiring further investigation. First, the relationship between auditor workload and fraud detection needs further exploration. Previous research has suggested that auditor workload may impair the ability to detect fraud (Christensen et al., 2021; de Vries & Speklé, 2024; Mnif & Cherif, 2022; Persellin et al., 2019; Pratiyaksa & Rasmini, 2021) but more comprehensive studies are needed, incorporating factors such as auditor experience and professional skepticism. Second, the moderating role of professional skepticism also warrants deeper investigation to determine how professional skepticism moderates the relationship between auditor workload and fraud detection, as previous research (Agustina et al., 2021; Bandiyono, 2021; Nasution et al., 2023; Olsen & Gold, 2018; Ta et al., 2022) has only considered skepticism as a mediating or independent role and also does not comprehensively address auditor workload and auditor experience.

In this study, professional skepticism was added as a moderator of the relationship between workload, experience, and fraud detection, as auditors with higher levels of skepticism are more likely to critically evaluate situations and detect fraudulent activities, even under high workload conditions (Noch et al., 2022). Therefore, examining how professional skepticism functions in a moderating capacity is important. The role of professional skepticism becomes particularly significant in challenging audit contexts, where auditors may be under pressure due to time constraints or increased workloads, which often impact their ability to assess potential risks thoroughly.

The research framework and model are as follows :



**Figure 1. Research Framework**

Source: Data Processed, 2024

Given the increasing complexity of audit work and fraud detection, this study explores how auditor workload, experience, and professional skepticism impact fraud detection while examining whether professional skepticism moderates these relationships. Specifically, this study investigates whether auditor workload negatively affects fraud detection, whether auditor experience and professional skepticism have a positive influence or impact on fraud detection, and whether professional skepticism could mitigate or reduce the negative impact of workload or strengthen the positive impact of experience on the auditor's ability to detect impending fraud. By answering these questions, this research seeks to provide insight and knowledge in improving the effectiveness of fraud detection practices in the audit profession.

This is further supported by attribution theory, which explains that external factors like pressure and workload influence an individual's reactions to surrounding events. Workload is included in attribution theory in specific situations, particularly during certain times of the year, such as the peak season for auditors. During the peak audit season, which typically occurs in the months leading up to fiscal year-end deadlines, auditors face tight schedules, leading to reduced physical stamina, and excessive workload may hinder an auditor's ability to detect fraud (Arifin, 2022).

Attribution theory explains how individuals assess the causes of behavior. When observing behavior, people tend to determine whether internal or external factors drive actions. Internal factors refer to behaviors that stem from the individual's characteristics, traits, or personal disposition, suggesting that the behavior is motivated from within. In contrast, external factors refer to behaviors caused by conditions or situations outside the individual. Individuals act in specific ways due to external causes such as situations, environments, or external pressures (Pratiyaksa & Rasmini, 2021).

Following this, cognitive theory offers another valuable perspective, focusing on how individuals process and apply knowledge. This theory is particularly relevant in understanding how auditors utilize their cognitive abilities during the audit process. Cognitive theory highlights how auditors process information, drawing from past experiences and reasoning skills. Based on this foundation, fraud detection plays a critical role in the auditing profession. Fraud detection refers to the auditor's ability to identify potential fraud during an audit. It encompasses the skills necessary to assess financial statements for misstatements caused by fraud or error, enhancing the overall reliability of financial reporting (Arifin, 2022; Murtanto et al., 2023; Putra & Dwirandra, 2019; Takasenserang & Indarto, 2021).

The auditor's workload is an important factor influencing the ability to detect fraud. The tasks and responsibilities the auditor must manage within a certain period become a reference for the auditor's workload. High workloads, particularly during peak seasons, could significantly impact an auditor's effectiveness and capacity to perform comprehensive audits (Bandiyono, 2021; de Vries & Speklé, 2024; Pratiyaksa & Rasmini, 2021).

Lastly, audit experience is another critical element in the auditing process. Experience, defined as the period and number of engagements an auditor has handled, shapes the auditor's ability to identify and address issues during an audit. As auditors gain experience, they develop stronger skills in detecting fraud and understanding complex financial transactions (Bandiyono, 2021; Hafizh & Qintharah, 2024; Putra & Dwirandra, 2019; Takasenserang & Indarto, 2021). Attribution theory explains how individuals assess the causes of a person's behavior. This study explains that auditor workload could be understood through attribution theory, where workload is considered one of the factors in attribution theory that occurs during a specific period in a fiscal year or peak season for a public accounting firm. During this time, auditors face tight schedules, which could reduce physical stamina, impacting their cognitive abilities and capacity to detect fraud (Pratiyaksa & Rasmini, 2021).

This research modified that auditor workload negatively impacts fraud detection by increasing pressure and leading to rushed audits, which could result in overlooked details. Fatigue reduces vigilance and critical thinking, making fraud easier to miss. Limited resources mean fewer auditors could cover more cases, prioritizing speed over thoroughness. Decreased collaboration hampers the sharing of insights, while a heavy workload undermines professional skepticism. Additionally, inadequate time for training could leave auditors less equipped to recognize fraud. To address these issues, organizations could balance workloads, leverage technology, and promote a culture of thoroughness (Indrayati et al., 2021).

The study by Johari et al. (2019) highlights that time pressure and high workloads could reduce the effectiveness of auditors in carrying out audit procedures, including those related to fraud detection. This study introduces novel insights regarding the impact of auditor workload on fraud detection by incorporating factors such as auditor experience and professional skepticism as moderating variables. In contrast to the research conducted by Hwang & Hong (2022), which primarily examines the influence of working hours on overall audit quality, this study investigates how the interplay between workload and auditors' skeptical attitudes affects their ability to detect fraud. Thus, this research explores direct relationships and facilitates a deeper understanding of the contextual factors that may enhance or diminish these effects. The study by Hwang & Hong (2022) did not consider local contexts and cultural factors that may influence auditing practices. Therefore, this research contributes significantly to understanding the unique challenges auditors face in Indonesia, highlighting the importance of effective workload management and the cultivation of professional skepticism to enhance the effectiveness of fraud detection in high-pressure environments.

The research by ALShanti et al. (2024), Mnif & Cherif (2022), and Suhayati (2022) demonstrates that auditors with high workloads tend to produce audits of lower quality. It is attributed to the fact that auditors handling too many clients cannot devote sufficient attention to the audit details, which are crucial for ensuring quality. The first hypotheses of this study are as follows:

H<sub>1</sub> : Auditor Workload Harms Fraud Detection

Auditors process stored knowledge, analyze information, and draw conclusions from the data. It involves applying technical accounting knowledge and employing professional judgment and skepticism to assess the accuracy and integrity of financial information. Ultimately, they utilize the knowledge they have acquired and processed through education, training, and hands-on experience to complete audit tasks effectively, including detecting potential fraud (Mui, 2018; Putra & Dwirandra, 2019).

As auditors gain experience, they develop sharper analytical skills, a better understanding of red flags, and an enhanced ability to identify patterns indicative of fraud. Consequently, the more experienced an auditor is, the more adept they become at recognizing and addressing potential fraudulent activities, as they are better equipped to navigate complex audit environments and uncover subtle irregularities. The auditors' experience plays a crucial role in their ability to detect fraud. More experienced auditors possess more profound knowledge and a better understanding of fraud techniques and indicators, which makes them more effective in identifying potential fraudulent activities (Hafizh & Qintharah, 2024; Takasenserang & Indarto, 2021).

Different hypotheses develop that increased auditor experience improves fraud detection capabilities and posits that more experienced auditors possess enhanced knowledge of auditing standards and fraud schemes, which allows them to identify anomalies more effectively. Their more significant professional judgment enables nuanced evaluations of financial statements, while heightened skepticism encourages critical assessment of client information. Previous experiences with fraud shape their detection strategies, while enhanced communication skills enable more effective gathering of financial data and transaction details (Hafizh & Qintharah, 2024). To test the hypotheses, metrics such as comparing fraud detection rates across experience levels, evaluating audit quality, conducting surveys for insights, and analyzing specific audits could be employed, ultimately exploring the influence of auditor experience on fraud detection effectiveness with hypotheses as follows:

H<sub>2</sub> : Auditor Experience has A Positive Effect on Fraud Detection

The skeptical attitude applied by auditors during the audit process is crucial in enhancing their ability to detect fraud, maintain the integrity of financial statements, and protect stakeholders' interests. Professional skepticism requires auditors to maintain an extensive question-mark mindset, alertness or caution to conditions that indicate possible misstatement due to error or fraud, and critically assess audit evidence (Nasution et al., 2023; Ta et al., 2022). This attitude helps auditors avoid complacency, challenge assumptions, and dig deeper into unusual or inconsistent financial information. By not taking information at face value and exercising due diligence, auditors are more likely to uncover discrepancies, irregularities, or potential fraudulent activities that may go unnoticed. A higher level of skepticism is essential, especially in environments where management pressure, complex transactions, or weak internal controls exist (Mui, 2018; Putra & Dwirandra, 2019).

The research findings indicate that professional skepticism is crucial in enhancing auditors' ability to detect fraud. Auditors with a skeptical attitude are more critical of the evidence obtained; they do not accept information at face value without verification, which enables them to identify irregularities or signs of fraud more effectively. Additionally, auditors with a high level of skepticism are more proactive in seeking additional information related to potential fraud, helping them uncover data that may not be immediately apparent. Professional skepticism also mediates between auditors'

competence, independence, and experience in fraud detection (Agustina et al., 2021; Hwang & Hong, 2022). Therefore, this study proposes the following hypotheses:

H<sub>3</sub> : Professional Skepticism has A Positive Effect on Fraud Detection

Experienced auditors have encountered various audit situations throughout their careers, which has equipped them with a profound understanding of various fraud methods and the intricacies of detecting them. This wealth of experience allows auditors to recognize patterns and anomalies that may indicate fraudulent activities. When this experience is combined with a healthy dose of professional skepticism, auditors become significantly more adept at leveraging their knowledge to identify potential signs of fraud.

Professional skepticism is a critical moderator in fraud detection, characterized by an auditor's questioning attitude and critical assessment of evidence. It enhances the positive effects of the auditor experience, as even seasoned auditors may overlook red flags without a skeptical mindset. Skeptical auditors are more likely to question inconsistencies and seek additional evidence, leading to more thorough investigations. This mindset could also counterbalance the negative impacts of high workloads, encouraging auditors to scrutinize information more carefully. Furthermore, a culture of skepticism promotes open communication within audit teams, facilitating the discussion of suspicious findings. Metrics such as surveys on skepticism levels, case studies, and performance reviews could be employed to assess the moderating effect of professional skepticism on fraud detection outcomes (Dewi et al., 2023).

Professional skepticism is a critical mindset that encourages auditors to not only rely on their past experiences but also to question and critically analyze the information presented. This skepticism drives auditors to dig deeper, ensuring they do not take information at face value. As noted by Pratiyaksa & Rasmini (2021), experience provides a substantial knowledge base, while skepticism motivates auditors to apply that knowledge critically and analytically. Consequently, integrating professional skepticism into the auditing process is essential, as outlined in the auditing standard SA 240. This standard emphasizes the significance of upholding a mindset of professional skepticism throughout the audit, enabling auditors to remain vigilant against fraud. In light of these considerations, the fourth hypothesis in this study is articulated as follows:

H<sub>4a</sub> : Professional Skepticism Weakens The Negative Effect of Auditor Workload on Fraud Detection

H<sub>4b</sub> : Professional Skepticism Strengthens The Positive Effect of Auditor Experience on Fraud Detection

## RESEARCH METHODS

This research method uses a survey or questionnaire to collect participants' responses. The primary data used was obtained directly from participants. This study tests several previously established hypotheses using data from an online questionnaire distributed via Google Forms to auditors at public accounting firms in Indonesia. In this study, the sampling technique used was purposive sampling, with the quantitative measurement scale using a Likert scale. Questions in the questionnaire are measured on a five-point Likert scale, which is divided into five categories: (1) strongly disagree, (2) disagree, (3) somewhat agree, (4) agree, and (5) strongly agree.

The research was conducted using the Structural Equation Model (SEM) method, with PLS-SEM analysis covering two sub-models: the measurement model (outer model) and the structural model (inner model). The outer model analysis aims to assess the constructs being studied and examine the validity and reliability of a variable. This study uses the formula from (Hair et al., 2017), which explains that the sample size depends on the number of indicators used. This study calculated the sample size by multiplying the indicators by 5. The indicators used amounted to 48 questions (after being reorganized by the researcher into 37 questions by reducing ambiguous and similar questions), resulting in a minimum sample size of 240 respondents.

Fraud detection in this research is the dependent variable, measured by developing and adopting (Oyerogba, 2021). The researcher adjusted it to the study's context with two dimensions: fraud knowledge and the ability to detect fraud. As an independent variable, audit workload was measured by adopting Hidayanti (2017) research with three dimensions: the number of clients, auditor working hours, and dysfunctional audit behavior. Audit experience, as another independent variable, was measured by adopting Setyana et al. (2021) research with two dimensions: length of service as an auditor and the number of audit assignments. Furthermore, professional skepticism, as a moderating variable, was measured by developing and adopting Ratna & Anisykurlillah (2020) with five dimensions: questioning a thought, suspending judgment, the quest for knowledge, interpersonal understanding, and self-determination.

## **RESULTS AND DISCUSSION**

This study involved 250 auditors from public accounting firms in Indonesia. The researchers analyzed the collected data using Smart PLS 3 software as a statistical tool. Data was collected through questionnaires distributed via Google Forms to auditors working in these firms to ensure a comprehensive response rate. The researcher utilized Structural Equation Modeling to analyze the data obtained from the respondents, encompassing both the outer and inner models. The outer measurement model includes validity and reliability tests, while the inner model includes hypotheses testing using a one-sample t-test and moderation analysis. To provide demographic background on the collected data, most respondent characteristics were found to be young adult females.

The demographic data shows that most respondents, 62.00%, were within the age range of 26 and 36 years old, with 21.00% being over 36 years old and 16.00% under 26 years old. Regarding gender, the sample was slightly skewed toward female respondents, who comprised 55.00% of the total, while 45.00% were male. Regarding educational background, a significant majority, 84%, held a bachelor's degree (S1), with 10.00% having a master's degree (S2) and 6.00% holding a diploma (D3). When examining the positions within public accounting firms, Senior Auditors represented the largest group at 41.00%, followed by Junior Auditors at 36.00%, Supervisors at 12.00%, Managers at 9.00%, and Partners at 3.00%. In terms of experience, over half, 56.00%, of respondents had 1-5 years of experience, 29.00% had more than 5 years of experience, and 16.00% had less than 1 year of experience. Specifically, the respondent demographics were as follows :

**Table 1. Respondent Demographics**

Characteristic	Amount	Percentage (%)
Age		
< 26 Year	41	16.00%
> 36 Year	53	21.00%
26 - 36 Year	156	62.00%
Gender		
Female	138	55.00%
Male	112	45.00%
Educational Background		
D3	15	6.00%
S1	211	84.00%
S2	24	10.00%
Position/Title at the Public Accounting Firm		
Junior Auditor	89	36.00%
Senior Auditor	103	41.00%
Supervisor	29	12.00%
Manager	22	9.00%
Partner	7	3.00%
Years of Experience		
< 1 Year	39	16.00%
1 - 5 Year	139	56.00%
> 5 Year	72	29.00%

Source: Researcher Analysis, 2024

Regarding the average number of clients handled per year, 53.00% of respondents managed between 10-20 clients, 26.00% handled 21-30 clients, and 20.00% had fewer than 10 clients. Additionally, when considering average working hours per week, 46.00% of respondents worked between 40-50 hours, 28.00% worked between 51-60 hours, and 17.00% worked less than 40 hours. Only 8.00% of respondents reported working more than 60 hours a week. Finally, a significant majority, 85.00%, of respondents revealed that they work more than 60 hours a week during the busy season, while 15.00% do not exceed this threshold during busy periods. Precisely, the clients handled and working hours of respondents were as follows :

**Table 2. Clients Handled and Working Hours of Respondent**

<b>Average Number of Clients Handled per Year</b>		
< 10 client	51	20.00%
10 - 20 client	133	53.00%
21 - 30 client	66	26.00%
<b>The average working hours in one week.</b>		
< 40 hours	43	17.00%
> 60 hours	21	8.00%
40 - 50 hours	116	46.00%
51 - 60 hours	70	28.00%
<b>Respondents reported working over 60 hours per week during peak season.</b>		
Yes	212	85.00%
No	38	15.00%

Source: Data Processed, 2024



We tested validity by analyzing the outer loading values for existing components based on respondents' answers to variable indicators. Indicators demonstrating strong validity are indicated by an outer loading score greater than 0.70, whereas those with scores lower than 0.70 should be removed from the model. However, outer loading values above 0.60 are still acceptable (Ghozali & Latan, 2015).

The validity test is proven by the loading factor value of each indicator for the auditor workload variable showing the smallest value of 0.845 on the questionnaire indicator 3.00 > 0.70 with a threshold standard according to Ghozali & Latan (2015) of 0.60 so that the workload variable is declared valid with the highest loading factor value of 0.91. In addition, the professional skepticism variable and auditor workload both show valid loading factor values in strengthening the negative influence of auditor workload on fraud detection, shown by a loading factor value of 1.05.

The loading factor value on the independent variable, auditor experience, shows the smallest value of 0.71 on indicator 6.00 > 0.70 with the highest value of 0.86, so it could be concluded that the auditor experience variable is valid. In addition, the professional skepticism variable and auditor experience both show valid loading factor values in strengthening the positive influence of auditor experience on fraud detection, shown by a loading factor value of 1.52.

The results of the validity test of the professional skepticism variable, in addition to its role as a moderating variable, show the smallest loading factor value of 0.72 as an independent variable > 0.70, so it could be concluded that it is valid. The fraud detection variable as a dependent variable obtains the smallest loading factor value of 0.78 on indicator 1.00 > 0.70 with the most considerable loading factor value of 0.85 on indicator 7, so it could be concluded that all variables meet the validity test with a loading factor value above 0.70.

All existing indicators have passed the validity test, and these data could be used for model development. In addition to evaluating outer loading, validity is tested by analyzing each variable's Average Variance Extracted (AVE) value. A variable is considered valid if its indicator has an AVE value greater than 0.50.

Referring to the table presented above, all variables show AVE values greater than 0.50, indicating that the existing data for these variables are valid and suitable for model construction. The reliability test assesses whether the respondents' answers are reliable for model development. Indicators associated with the variables are deemed reliable when the Cronbach Alpha value exceeds 0.6, and Composite Reliability exceeds 0.70 (Ghozali & Latan, 2015). The following presents the data for Cronbach Alpha and Composite Reliability.

**Table 3. Reliability Test Result**

Variable	Cronbach's Alpha	Composite Reliability
AE*PS	1.00	1.00
AW*PS	1.00	1.00
AW	0.95	0.96
PS	0.96	0.96
AE	0.93	0.94
FD	0.90	0.92

Source: Data Processed, 2024

According to table 3, every variable displays Cronbach Alpha values above 0.60 and Composite Reliability values above 0.70, confirming that the data for these variables

is dependable and appropriate for model development. The correlation analysis was carried out by observing the R-squared value, which assesses how strongly the independent variable predicts the dependent variable. An R-squared score higher than 0.5 indicates a strong correlation, whereas a score lower than 0.50 points to a weak correlation. The outcomes of the R-squared assessment are as follows :

**Table 4. Correlation Test Result**

Indicator	R Square	R Square Adjusted
Fraud Detection	0.64	0.64

Source: Data Processed, 2024

Based on table 4, the R-Square value for Fraud Detection is 0.64, indicating that the factors influencing fraud detection explain 64.50% of the variability in this variable. In contrast, other variables account for the remaining 35.50%.

The structural question model was applied to test the hypotheses at the 5.00% significant level based on the Null Hypotheses (H0). The Alternative Hypotheses (Ha) states the existence of a relationship between variables, while H0 states the absence of such a relationship. If the P-value is less than 0.05, H0 is rejected, and the research hypothesis is accepted. Conversely, if the P-value exceeds 0.05, H0 is accepted, and the research hypotheses are rejected. Hypotheses testing is conducted as follows :

**Table 5. Results of Hypotheses Testing**

No.	Hypotheses	Coefficient	Pvalues	Result
H1	AW -> FD	-0.38	*0.00	Accepted
H2	AE -> FD	0.14	**0.02	Accepted
H3	PS -> FD	0.29	***0.00	Accepted
H4a	AW*PS -> FD	0.27	****0.00	Rejected
H4b	AE*PS -> FD	-0.07	0.08	Rejected

Source: Data Processed, 2024

### **Auditor Workload Harms Fraud Detection**

The findings in this study align with those of Christensen et al. (2021) and Johari et al. (2019) found that high auditor workloads could negatively impact their ability to detect fraud. When auditors face excessive workloads, the time and attention they can allocate to each audit task becomes limited. It reduces their thoroughness in examining financial statements and identifying indications of fraud. Research shows that overburdened auditors rush through their tasks, overlooking or missing important signs that could lead to fraud detection. This condition could affect the overall quality of the audit and increase the risk that errors or fraud go undetected.

Auditor workload negatively impacts fraud detection by reducing the time and attention available for thorough investigations. When overburdened, auditors may overlook critical details, rely on routine procedures, and exhibit decreased professional skepticism. It could lead to missed red flags and ultimately hinder the effectiveness of fraud detection efforts. Ensuring manageable workloads is essential for maintaining high-quality audits and improving the ability to identify fraudulent activities (Septiani et al., 2021). Moreover, Christensen et al. (2021) highlighted that the fatigue from prolonged heavy workloads diminishes auditors' physical energy and impairs their cognitive functions, such as critical thinking and problem-solving abilities. These functions are essential for detecting fraud, enabling auditors to challenge assumptions, dig deeper into inconsistencies, and rigorously evaluate evidence. When auditors are mentally and physically exhausted, their capacity to perform these tasks effectively diminishes, further

increasing the risk of undetected fraud and lowering the overall quality of the audit. Thus, managing auditor workloads is critical to maintaining high audit quality standards and ensuring excessive pressure does not compromise fraud detection efforts.

The research conducted by Mnif & Cherif (2022) demonstrates that auditors who are burdened with high workloads tend to produce audits that are of lower quality. This phenomenon can be attributed to the fact that when auditors are responsible for managing an excessive number of clients, they often find it challenging to devote the necessary amount of attention and focus to the intricate details of the audit process. Such attention to detail is crucial for ensuring the overall quality and reliability of the audit findings, as it enables auditors to thoroughly assess the financial statements and identify any discrepancies or issues that may arise. Consequently, the inability to concentrate adequately on these critical elements can lead to lapses in audit quality, ultimately impacting the integrity of the financial reporting process.

### **Auditor Experience Has A Positive Effect On Fraud Detection**

The results of this study suggest that auditors' experience level has a real and beneficial impact on their capacity to identify fraudulent activity. It aligns with the perspective expressed by Putra & Dwirandra (2019), which states that the more experience auditors have, the higher their level of professional skepticism. Auditor experience positively affects fraud detection for several reasons: A better understanding of experienced auditors' knowledge of how financial systems work helps them spot mistakes and unusual patterns. Recognizing red flags shown over time, they become skilled at identifying signs of fraud that newer auditors might miss. Knowledge of fraud tactics is familiar with common ways fraud is committed, allowing them to look for specific risks during audits. With stronger analytical skills, experienced auditors could analyze complex data more effectively, making it easier to detect issues. Critical thinking is more likely to question what they see and seek further evidence, which is key in uncovering fraud. Risk assessment could better assess where fraud is likely to occur, helping them focus their efforts effectively. Mentorship could teach less experienced auditors, sharing valuable insights and techniques. Improved judgment helps them make better decisions about the reliability of information and controls (Hafizh & Qintharah, 2024).

Auditor experience also provides a deeper understanding of the types and characteristics of potential fraud. It is consistent with Mui (2018), which asserts that more experienced auditors are likely to have encountered various fraud cases, allowing them to apply that knowledge in subsequent audits. Thus, auditor experience enriches their knowledge and fosters a more critical and skeptical mindset, which is crucial for effectively detecting fraud. It highlights that developing auditors' skills and knowledge through practical experience is key to enhancing fraud detection capabilities, as also discussed in studies that conducted interviews with practitioners recognized as experts in fraud detection. The auditor's experience is described as an important factor in detecting fraud. Auditor experience encompasses the duration of employment and the number of tasks completed; the greater the experience, the better the auditor can identify fraudulent actions. Auditor experience significantly influences their effectiveness in detecting fraud, with more experienced auditors tending to be quicker and more skilled in completing audit tasks (Sembiring & Widuri, 2023).

### **Professional Skepticism Has A Positive Effect On Fraud Detection**

The findings of this study are consistent with the research conducted by Olsen & Gold (2018) and Putra & Dwirandra (2019), both of which highlight the critical

importance of the skeptical attitude that auditors must apply throughout the audit process. This attitude is essential for enhancing their ability to detect fraud, maintain the integrity of financial reports, and protect the interests of various stakeholders involved.

Moreover, Olsen & Gold (2018) emphasize that adopting a cognitive neuroscience approach could provide fresh and valuable insights into professional skepticism. By delving into the mental processes within the auditor's brain, their research offers a framework for identifying the various factors that influence the development of auditors' skeptical attitudes. This understanding is particularly relevant in auditing, as heightened skepticism equips auditors with the vigilance to recognize potential fraud indicators. Such awareness could significantly optimize the overall quality of the audit process and improve the accuracy of financial statements.

Professional skepticism enhances fraud detection because it fosters a mindset of critical thinking and vigilance. It encourages auditors to question assumptions, evaluate evidence thoroughly, and go beyond surface-level explanations. This approach helps identify irregularities, unusual transactions, or discrepancies that might indicate fraudulent behavior (Herawati et al., 2023). This result is consistent with Agustina et al. (2021) research, which indicates that this skeptical attitude significantly influences auditors' ability to detect fraud. Auditors who apply professional skepticism seek information about fraud signs more actively.

Additionally, by integrating a neuroscience perspective into auditing practices, auditors could receive targeted training designed to help them cultivate a more effective skeptical mindset. This proactive approach not only empowers auditors in their professional roles but also plays a vital role in strengthening the safeguarding of stakeholder interests, ensuring that their concerns are adequately addressed and that the integrity of financial information is preserved.

### **Professional Skepticism Weakens The Negative Effect Of Auditor Workload On Fraud Detection**

The findings of this study revealed that professional skepticism unexpectedly weakened the positive relationship between auditor experience and fraud detection. This result contradicts the initial hypothesis, which posited that professional skepticism would enhance the positive impact of auditor experience on their ability to detect fraud. The findings suggest that while auditor experience is generally expected to improve fraud detection capabilities, excessive skepticism may interfere with the evaluative process derived from that experience. Auditors with heightened skepticism may become overly critical, questioning their judgments based on prior knowledge and experiences, which could ultimately hinder their effectiveness in identifying fraudulent activities.

Professional skepticism reduces the negative impact of heavy auditor workloads on fraud detection by helping auditors stay focused and prioritize important tasks. A skeptical mindset allows auditors to use their time and resources more effectively, concentrating on areas with a higher likelihood of fraud. This approach minimizes the chance of overlooking critical red flags due to workload pressures (Agustina et al., 2021).

Additionally, skepticism promotes analytical and investigative methods, which enhance efficiency by quickly identifying irregularities. It also ensures that auditors consistently follow high standards and rigorous procedures, maintaining the quality of fraud detection even under demanding conditions. By fostering critical thinking and attentiveness, professional skepticism helps auditors remain effective despite workload challenges (Dewi et al., 2023). As audit tools relying on technology and automation

become more advanced, the ability of digital systems to detect fraud may reduce the need for professional skepticism in identifying potential fraud, especially under high workload pressures (Al-Sayyed et al., 2021).

Additionally, several respondents recommended effective time management and task delegation, which could help reduce pressure on auditors. They also suggested that organizations identify and prioritize important tasks and communicate clearly to ensure all team members understand their roles and responsibilities. Thus, the findings of this research underscore the need for greater attention to managing auditor workloads and the support organizations provide. While enhancing professional skepticism among auditors is important, it must be balanced with effective management strategies to ensure auditors remain focused and effective in detecting fraud, thereby safeguarding stakeholder interests.

### **Professional Skepticism Strengthens The Positive Effect Of Auditor Experience On Fraud Detection**

In this study, the findings indicated that a trait of professional skepticism weakened the positive relationship between auditor experience and fraud detection. It contradicts the initial hypothesis, which states that the nature of professional skepticism should strengthen the positive effect of auditor experience on their resilience in detecting or discovering fraud. These findings indicate that although auditor experience is expected to enhance their ability to detect fraud, a high level of skepticism could disrupt the evaluation process based on that experience. Overly skeptical auditors may become too critical and doubt their judgments based on previous experiences, hindering their ability to detect fraud effectively.

In this context, it is important to consider the role of auditing digitalization, which could influence the effectiveness of fraud detection. Many respondents emphasized that technology could assist in fraud detection. Digitalization allows faster and more accurate data analysis and real-time monitoring of transactions. Some respondents in this study expressed that by using technologies such as artificial intelligence (AI) and machine learning, auditors could identify fraud patterns that may not be visible to humans, as indicated in the survey conducted for this research.

However, despite the many benefits of digitalization, respondents also noted that fraud detection still relies on the judgment and experience of auditors. While technology could expedite and facilitate the audit process, auditors still need adequate knowledge and skills to apply the analysis results effectively. Thus, results obtained from this research underscore the importance of balancing professional skepticism, auditor experience, and the utilization of technology in effectively detecting fraud. Organizations must ensure that auditors are equipped with digital tools and the necessary training and support to maximize their fraud detection potential. Professional skepticism strengthens the positive effects of auditor experience by encouraging a thorough, questioning approach that enhances the ability to detect fraud effectively. These attributes create a more robust framework for identifying and addressing fraudulent activities (Sari & Andrian, 2023).

## **CONCLUSION**

Based on the research that has been conducted, it could be concluded that high workload harms the superiority of auditors in detecting fraud. Overburdened auditors tend to be less thorough and experience a decline in cognitive function, which reduces their

effectiveness in conducting audits. On the other hand, auditor experience positively influences fraud detection capabilities; more experienced auditors better understand fraud indicators and can apply their knowledge in audit situations. In addition, professional skepticism also positively impacts or influences fraud detection because auditors with a high attitude of skepticism can better investigate information and identify potential errors or fraud. The results indicate that professional skepticism could mitigate the negative impact of auditor workload on fraud detection but may also reduce the positive effects of auditor experience. Excessive skepticism could interfere with the evaluative process based on the auditor's experience. Therefore, organizations must pay attention to managing auditor workloads and provide adequate support to enhance fraud detection effectiveness.

Recommendations for audit practices include several aspects that can have significant implications for practitioners. First, organizations should consider a more equitable distribution of workload among audit teams to prevent individuals from becoming overly burdened. Second, ongoing training is necessary to enhance auditors' skepticism, including developing analytical and critical skills. Third, the use of technology in the audit process should be maximized to assist in data analysis and more efficiently detect signs of fraud. By implementing these recommendations, the quality of fraud detection could be improved, allowing organizations to protect stakeholder interests better and ensure the integrity of financial reports. For practitioners, these recommendations highlight actionable steps to improve audit quality, foster a proactive approach to fraud prevention, and uphold the integrity of financial reporting. By addressing these areas, auditors can better protect stakeholder interests, maintain public trust, and contribute to broader accountability and transparency in financial practices.

However, this research has several limitations. First, the sample used is limited to auditors in Indonesia, so the results may not be generalizable to international contexts or other countries. Second, this study employs a survey method that relies on respondents' perceptions, which personal biases may influence. Third, other factors that may affect fraud detection, such as organizational culture or internal control systems, were not analyzed in depth in this study. Future studies should address the limitations of this research by expanding the scope beyond Indonesia to include a broader international sample. Comparative studies across countries and regions could provide valuable insights into how cultural, regulatory, and organizational differences influence fraud detection.

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